

Borrowing At More Than The Exchange Rate

Prepare

Assistant Professor Dr. Firas Majeed Abdullah

Teaching at the College of Islamic Sciences

University of Anbar

In the name of Allah the Merciful

Introduction.

Praise be to God, Lord of the worlds, and may blessings and peace be upon the best messengers, our Master, Muhammad, may God bless him and grant him peace, and upon his family and companions as a whole.

As for ...

Jurists, in the past and present, were concerned with sales, and gave it importance, because of its special provisions and multiple methods, Among its branches is the term (exchange), so they devoted a chapter to it, Because of its different provisions from other sales, Show its pillars, conditions and provisions related to it, and copies of its permissibility and lack thereof.

The reason for discussing this issue has become clear, which is the large number of formulas and modalities of sales that have spread in our markets today, among them they are included under the section of exchange, Some people today are getting money by any means and excuse.

Among these methods is: taking the dollar and determining its payment in the Iraqi dinar in a deferred manner, and placing an increase in the exchange rate for the term that was set.

I wanted to stand on the Sharia ruling on this issue, which has become a lot in our markets. So it made its title (borrowing at more than the exchange rate).

- So my work in research necessitated that I divided it into two topics:

The first topic: Research vocabulary, The second topic: the reason for usury in paper money and the ruling on borrowing at more than the exchange rate., and conditions of the exchange contract. It contained two requirements.

The second topic: the reason for usury in paper money and the ruling on borrowing at more than the exchange rate.

And it contained three demands, and then I put a conclusion explaining the most important findings in the research, and a list of the sources and references used.
May God bless our master Muhammad and his family and companions.

Preface

Given the expansion of commercial markets in our country, and the large number of financial dealings in these markets, And the people's need for money, many pictures of financial dealings appeared, and these pictures, some of which correspond to our true Sharia, and some that contradict it, and from these pictures ...

For a person to take a sum of money other than the cash of the country, provided that he pays this amount after a while, They agree to it in the country's cash at more than the exchange rate. They determine the amount at the time of the loan.

[As if he takes (one thousand US dollars) and pays it after (six months) with (one and a half million Iraqi dinars) and the value of (one thousand dollars) at the time of arrest (one million two hundred Iraqi dinars)].

If we follow the conditions of the creditor and debtor, we will find that the one who gave (the thousand dollars) wants to gain the increase in the exchange rate, knowing the certainty that such a contract, at the very least, is doubtful.

And the one who takes (a thousand dollars) for his purpose is the possession of money because he needs it due to a necessity for his injury or to trade in it and develop it in his own hands, knowing the certainty that such a contract at the very least his judgment is doubtful.

But it is a way to obtain the interest for the giver and to obtain the money for the receiver, and this deal is by exchanging cash for another cash, i.e. taking dollars and giving dinars, and so is a deal called in Islamic jurisprudence (the exchange contract). This contract has conditions so that it is properly done.

And saying that this transaction is directed to (it is a debt and it is paid in another currency), that is, taking (dollars) as a debt, and paying it in another currency (such as dinars). Exchange) This contract has conditions in order to be properly executed.

The contract is based on exchanging one currency for another, determining the payment currency, and the differentiation at the contract, The differentiation between the two currencies is specified, not in consideration of the exchange rate (the prevailing market rate). Rather, it was specified as the time set for the payment date, and the payment in a currency other than the debt currency, The debt must be valued on the day it is repaid. The sum from the moment of the contract determines the currency of payment and the amount of differentiation between the two currencies, Whatever it is, it does not exclude the exchange of one currency for another currency, and this is called (exchange) in Islamic jurisprudence.

I will address the reasons for this contract through the following demands.

The first topic

Research vocabulary, pillars and conditions of the exchange contract

The first requirement

Statement of research vocabulary

The debt:

Language: everything is not present, And his collection of a debt and debts, A debtor, if his habit, takes the debt and borrows.⁽¹⁾

Sharia: It is what is proven in the custody of an unspecified individual rather, it is described as money, measure, weighted, and cropped. What was established by evidence at all or by the debtor's acknowledgment, and what is not extinguished except by fulfillment or by acquittal.⁽²⁾

Borrowing: asking for debt, and a man borrowed: borrowed and took debt and became debtor, or asked for a debt.⁽³⁾ And it came in the Holy Quran, God Almighty said : [O you who have believed, when you contract a debt for a specified term, write it down.]⁽⁴⁾

The exchange:

Language: the addition, the merit, or the decrease, which is the exchange of cash for cash.⁽⁵⁾

Sharia: the sale of prices together, one of the two contracting people in most cases asks for the favor and the increase, and it is done by transferring all the alternatives from hand to hand in the contract council.⁽⁶⁾

The second requirement

Pillars and conditions of the exchange contract

The exchange contract, like the rest of the contracts, is not valid except with its pillars.

Pillar:

language: plural by pillars, is the strongest aspect of a thing.⁽⁷⁾

Idiomatically: Pillar are what is accomplished by something while it is part of it.⁽⁸⁾

⁽¹⁾Lisan Al-Arab 13/169 Article (debt), Mukhtar As-Sahih, p. 108 Article (debt).

⁽²⁾Fiqh Dictionary, p. 131.

⁽³⁾Lisan Al-Arab 13/164 Article (debt).

⁽⁴⁾Surah Al-Baqarah from verse 282

⁽⁵⁾TajAl-eurus 24/12, The Dictionary of the Language of the Jurists, p. 273

⁽⁶⁾Anees al-Fuqaha, p. 80, definitions, p. 130.

⁽⁷⁾Lisan Al-Arab 13/184, Article (pillars), Al-Waseet Dictionary (1/370), Article (pillars).

⁽⁸⁾Seen: The Elegant Borders p . 71.

The pillars of the exchange contract:

(The persons between whom the contract. Subject of the contract(cash). Formula (Offer and acceptance).⁽¹⁾

So if the pillars meet, there is a contract, then there is no exchange contract if there are no two contracts. In order for this contract to be done properly, its conditions must be fulfilled.

Conditions of the exchange contract.

The condition is the language: the sign, and the plural are conditional.⁽²⁾

Idiomatically: it is what is necessary or not of nothingness, and neither its existence nor non-existence is necessary for itself.⁽³⁾

The first condition: Mutual receipt.

The jurists agreed on the mutual receipt in the exchange contract by those between whom the contract was concluded in the council before their separation.⁽⁴⁾ If the postponement occurs, the merit between the compensations will be obtained with him, which is (usury).⁽⁵⁾

What the jurists must do is that receipt is a condition for the validity of the exchange contract.

Ibn al-Mundhir said: All of the scholars from whom we have memorized the consensus agreed that if the Currency converter separated before they were exchanged, the exchange is corrupt.⁽⁶⁾ For the hadiths of the Prophet "may God bless him and grant him peace".

1. His saying "may God bless him and grant him peace": {paper for gold is usury unless they are exchanged on the spot}.⁽⁷⁾
2. His saying "may God bless him and grant him peace": {If these classes differ, then sell as you wish if payment is made hand to hand.}.⁽⁸⁾

⁽¹⁾See: Al-Mabsut 6/236, The joy in explaining the masterpiece 2/45, Acaanat Al-taalin 3/47, Al Rawdah Square 2/24.

⁽²⁾Lisan Al-Arab (7/329), article (condition).

⁽³⁾Seen: Explanation of the enlightening planet 1/454.

⁽⁴⁾See: Bada'a Al-Sanea 5/217, Fiqh Laws, p. 252, Mughni Al Muhtaj 23/2, Al-Mughni 4/45, Al-Mahalla 7/451.

⁽⁵⁾See: Al-Mabsut 3/14, the building Sharh Al-Hidayah 7/504

⁽⁶⁾Al-Awsat in Sunan, consensus and disagreement 484/5.

Corrupt contract: Corruption is the opposite of goodness, and corruption of worship is null, except in some matters of Hajj.

The corrupt contract according to the Hanafis is: what was originally legitimate without its description, and it entails some rulings. The corrupt sale is with them, if it is connected to it, the arrest benefits the king, but it is a malicious property, the contract must be terminated as long as the eye exists. See: Al-Ashabat by Ibn Nujim, p. 337.

According to the public, the corrupt contract: every unlawful act, and the corrupt contract is considered an existing contract with effect, but it is an unnecessary contract, and it must be canceled according to Shariah. See: the annotations of Qalioubi and Umrah 1/186, Al-Shabat and Al-Nazaireh by Al-Suyuti, p. 233, and Al-Ahkam Al-Adli Magazine, articles 109, 171, and in the language of Al-Salik 3/86.

⁽⁷⁾Sahih Muslim: The Book of Divorce, Chapter on Exchange and Selling Gold in Paper for Cash 3/1209 No. (1586).

⁽⁸⁾Sahih Muslim: The Book of Divorce, Chapter on Exchange and Selling Gold in Paper for Cash 3/1211 No. (1587).

3. On the authority of Habib, that he heard Abu Al-Minhal say: I asked Al-Baraa bin Azeb about the exchange, and he said: Ask Zaid bin Arqam, so that. I know, so I asked Zaida, and he said: Ask Al-Baraa, for he knows best, then they said: {The Messenger of God, may God bless him and grant him peace, forbade selling paper for gold as a debt}.⁽¹⁾

The significance of the hadiths:

These conversations indicated that the exchange would be immediate. And the mutual receipt is in the council.⁽²⁾

The second condition: free of choice

That there is no choice in the exchange contract for one or both of the contracting parties.

The majority of jurists (Hanafi, Maliki, Shafi'i) are of the view that if the exchange contract includes a choice of two contracts or one of them, then the contract is not valid. Because arrest in this contract is one of the conditions of its validity, and the choice prevents the king from being proven.⁽³⁾

The Hanbalis went that the option in the exchange contract does not invalidate it, so the exchange contract in which it is a valid option is required to disperse.⁽⁴⁾

Al-Dhahiriya went on to say that there is an option in the exchange contract, like other contracts, and their doctrine is the option after the completion of the contract, not before.⁽⁵⁾

The third condition: being free from the defer.

The jurists have agreed that the exchange contract is not valid for the contracting parties or one of them, the deferred exchange contract is invalidated, the mutual receipt is receivable before separation, and the term is inconsistent with the legal receipt of the two alternatives in the contract, so the contract is corrupt.⁽⁶⁾

His saying: "may God bless him and grant him peace" {if payment is made hand to hand}.⁽⁷⁾

His saying: "may God bless him and grant him peace" {unless they are exchanged on the spot}.⁽⁸⁾

His saying: "may God bless him and grant him peace" {Do not sell gold or silver that is not present at the moment of exchange for gold or silver that is present."}.⁽⁹⁾

Fourth condition: symmetry

⁽¹⁾Sahih Al-Bukhari: Chapter on selling gold to paper in a bad way. 2/762 No. (2070), Sahih Muslim: The Book of Divorce, Chapter on Prohibition of Selling Gold for Debt Paper 3/1212 No. (1589).

⁽²⁾Seen: Explanation Al-Nawawi Ali Muslim (11/16)

⁽³⁾See: Badaa al-Sanaa 5/219, Jawaher al-Aklal 2/14, Nihat al-Muhtaj 3/415.

⁽⁴⁾See: of the end of revenues 2/205.

⁽⁵⁾ See: almahlal 7/251.

⁽⁶⁾See: Al-Durr Al-Mukhtar 4/235, Jawaher Al-Ekali 3/40, Mughni Al-Muhtaj 2/27, Al-Mughni 4/37.

⁽⁷⁾Previously graduated.

⁽⁸⁾Previously graduated.

⁽⁹⁾Sahih Al-Bukhari: Book of the Beginning of Revelation, Chapter on Selling Silver for Silver, (3/97), No. (2177), Sahih Muslim: Book of Al-Misqah, Chapter of Usury (3/1208), No. (1584).

This condition is related to the exchange rate of one of the money by his gender.

It is a exchange of gold for gold, and silver for silver, the exchange must be equal in amount.⁽¹⁾

For saying: "may God bless him and grant him peace" : {gold by gold, like for like and equal for equal}.⁽²⁾

Symmetry in banknotes. For example ...

That the banknote denomination (10 thousand Iraqi dinars) be spent with (forty banknotes) of the category (two hundred fifty Iraqi dinars), no more, no less.

After mentioning the conditions that must be met in the exchange contract, the exchange contract cannot be concluded without them. If two contracting parties dispose of and the conditions of the exchange contract are not met, then there is no exchange between them, and the recipient must be returned due to the lack of these conditions in the contract.

The second topic

The reason for usury in banknotes and the ruling on borrowing at more than the exchange rate

The first requirement

The nature of banknotes

The concept of barter was used at the beginning of human life for their daily dealings, as they exchanged things with each other on this road, but this road was difficult to use as a general road fit for everything.

After that, the commodity money system appeared, so people chose some commodities to use the prices in most sales contracts, and they chose goods that are frequently used, and are most needed in every environment, and do not quickly become corrupted, such as food grains, salt and leather for that system.

However, that system was also not without the hardship of using these commodities in exchange from the problems of carrying and transporting. As countries developed somewhat, needs increased, and exchanges increased, people resorted to choosing a criticism that would lessen its burden and have confidence in it.

People began to use gold and silver as prices in exchanges. For their intrinsic value in making jewelry and utensils, and for ease of carrying and saving, these two metals have become standards of value upon which people in all countries

⁽¹⁾See: Badaa' al-Sanay' 5/219, Mughni al-Muhtaj 2/26, Kashshaaf al-Qinaa 3/265.

⁽²⁾Sahih Muslim: Chapter on usury (5/42) No. (4141).

depend. This system was called "the system of coinage," and this system went through many stages that can be summarized as follow:⁽¹⁾

1. The first people to use gold and silver as monetary commodities was in the form of pieces of different size, weight and purity. Some of them were cleansed or made in the form of jewelry or utensils, etc. And they were dealt with by weight.
2. After that, people started casting money from gold in some countries, and from silver in others, As pieces equal in size, weight and purity, Stamped with an official stamp confirming its safety and tradability. These pieces were equal to the value of what they contained, of gold or silver, And the value of gold cast in this way was equal to the value of gold dust if it weighed one, Where the state was obligated to mint all citizens who wanted to mint what he owned of gold or silver, so the state would strike them with a rail, and return them to their owner.

But this system also did not survive its problems:

first: The ratio between the value of gold and silver coins differed from one country to another, He pushed people to trade in currency, If one piece of gold makes fifteen pieces of silver in America, for example, At the same time it is fifteen and a half in Europe, This disparity caused American merchants to export their gold to Europe. Thus, they would gain more silver, and import it to America; Turn it into gold, then issue gold again, and so on.

Second: The coins made of gold or silver are easy to steal, and it is difficult for the wealthy to store large quantities of these coins in their homes. So they resorted to depositing their possessions to some goldsmiths. Goldsmiths hand over to the depositors papers as documents for those dep These osits, And when the people's confidence in these goldsmiths increased, these documents became used to pay the price at sales. So, instead of paying the value in cash, the buyer would deliver to the seller a sheet of these documents. And the seller trusted the goldsmiths who issued them.

3. documents were considered the beginning of the banknotes, and they did not have an official image of the authority that people must accept at the beginning of its order, The reference was to accept and return it to the trust of the seller or creditor who issued it.
4. At the beginning of the seventeenth century AD, these documents developed into an official form called (banknote) and it is said that the (Stack Home) bank in Sweden was the first to issue them as banknotes. At that time, these notes were fully (100%) covered by the issuing bank. The bank is obligated to not issue these papers except to the extent of the gold it owns And ever price yone who carried these papers could take them to the bank whenever. they wanted and transfer them into gold bars.
5. In the year (1833AD) states made the (banknote) a legal, Every creditor was obligated to accept it in the collection of his debt, and commercial banks were

⁽¹⁾This summary of the history of money and its developments is derived from the following books:

1-An outline of Money, by Geoffrey Growther , 2-Money And Man, by Elgin Groseclose, Ivth. Ed. University of Okiahoma Press, Norman 197. , 3-Modern Economic Theory, by K.K. Dewett New Delhi, 4-Encyclopaedia Britannica Banking and Credit Money Currency. 5-Ruling on dealing in gold and silver, by Dr. Muhammad Hashem Awad.

also prevented from issuing them. And its issuance was limited to major governmental banks only. The banknote was the first official banknote to have its full value in gold or silver.

Some countries have needed to finance their projects at some times, with little resources. So they resorted to printing large quantities of banknotes, More than the amount of gold they have To use it to meet her needs, and the cover of the banknotes diminished little by little, The percentage of its support in real gold fell from (100%) to a much lower percentage. This is because the banks that issued the banknotes were certain that all these notes were not required to be converted into gold at the same time, Then it placed in the market banknotes that were not backed by gold, but traders accepted them, believing that their source would be able to convert them into gold whenever he was asked to do so.

6. In the year (1914 AD), England completely stopped converting banknotes into gold. Then it returned to the transfer in the year 1925 AD, but on the condition that what the bank is asking to transfer, It should not be less than one thousand seven hundred pounds, so the transfer was restricted to what made the common people not able to convert their papers into gold.
7. In the year (1931AD), the British government banned the conversion of paper into gold at all. Even for those who ask for less than one thousand seven hundred pounds, And I obligated people to be content with these papers as an alternative to gold, And they deal with it in all their dealings. But governments continued to convert papers into gold among themselves, even though it was banned inside the country.
8. In 1971, the United States faced a severe crisis in the price of its dollars. It stopped converting dollars into gold to other countries as well. Thus eliminated the last support for banknotes in gold.
9. In 1974 AD, the Global Financial Fund allowed the members of this fund to withdraw a certain amount from the currencies of various countries to pay their debts to other foreign countries.⁽¹⁾
10. As for in the modern era, the cover of banknotes has disappeared from gold or silver. The process of issuing banknotes was assigned to the countries themselves, taking into account the distancing as much as possible from the inflation that results from the large number of money offered on the market.
11. The policies of the great powers had the effect of raising the value of the cash of some countries by supporting them economically and politically, and reducing the value of the currency of others by hitting their economies.
12. The value of banknotes fluctuates due to external and internal policies and pressures.

The absence of a gold or silver banknotes cover did not affect its acceptance in the countries. To the force of the law that issued it.

Banknotes took the place of gold and silver, which was in circulation among the people as money in past ages. So banknotes in our time has a value by which things can be corrected, and loyalty and innocence are obtained. The exchange of different currencies has an indispensable necessity; Because of the increase in

⁽¹⁾See: the provisions of money and transactions: Muhammad Taqi al-Othmani, securities: Debian Muhammad al-Debian, Bahjat al-Mushtaq in the statement of the ruling on zakat on securities money: Ahmad bin Ahmad bin Abdul-Taif al-Husseini, p. 56.

commercial traffic between countries, And the movement of people around the globe.

Banknotes are a hypothetical purchasing power in the law that issued them.

The second requirement

The reason of usury in gold, reason silver and banknotes

Ruling on a thing revolves with the, in existence and absence, so the reason for gold and silver must be determined in order for the judgment to be based on it.

The reason is a language: it refers to a meaning that replaces the place, so that the state of the place changes without choosing.⁽¹⁾

Idiomatically: it is every matter that the lawmaker has made a sign of the existence of the ruling, and its absence as a sign of its absence, provided that it is appropriate between it and the legitimacy of the ruling.⁽²⁾

Usury language: the increase.⁽³⁾

Idiomatically: the preference of money without compensation in exchanging money for money.⁽⁴⁾ Or a contract for an unknown compensation, the similarity in the Shariah criterion as the contract, Or with the delay of the two allowances or one of them.⁽⁵⁾

The Prophet, may God bless him and grant him peace, mentioned gold and silver in the hadith of usury.

The fuqaha 'differed regarding the reason for interest in gold and silver, into three sayings:

- The first view: It is the saying of the Hanafis and the Hanbali narration, that the reason for them is weight with the union of harmony.⁽⁶⁾
- The second view: This is the view of the Malikis in the well-known, the Shafi'i, and the narration of the Hanbalis, that the reason for them is the price.⁽⁷⁾
- The third view: It is a narration of Imam Malik, which is well-known among the Hanbalis, and a saying by some Hanafis that the reason with them is absolute value.⁽⁸⁾

Whoever said that the reason is in precious gold and silver, that the Prophet "may God bless him and grant him peace" mentioned gold and silver because they were the most valuable things at that time.

And the fact that cash is a criterion for the finances of the notables is a means of fulfilling the needs and this is what is meant.

⁽¹⁾Definitions: p. : 201.

⁽²⁾Definitions and jurisprudential terms in contemporary language (p. 5).

⁽³⁾Mukhtar As-Sahhah: p. 267, article (usury)

⁽⁴⁾kashaf Al-qunae 3/255.

⁽⁵⁾Seen: Explanation of Fath Al-Qadeer 7/5.

⁽⁶⁾See: Al-Mabsut 11/111, Al-Mughni 2/32.

⁽⁷⁾See: Al-midawanut 7/107, Introductions 2/36, Group 9/392, Al-Mughni 2/32.

⁽⁸⁾See: Al-midawanut: 3/394, Badaa` al-Sanaa`: 6/59, Al-Mughni 2/32.

The continuity of the description of the octet is not important. Because when the description of the price is removed from the thing, the rulings are removed from it, because the ruling revolves around the cause, in presence and absence.

It refers to the cash dealt in it on their time, and on this everything that resembles gold and silver in this cause, interest is used with it, And his ruling is the same as theirs, for like gold and silver contemporary banknotes are all attached to gold and silver, so interest in sales is conducted in them as it is done in gold and silver.

Dinars, dollars, and pounds of all kinds are in fact prices attached to gold and silver, and each currency is considered a separate type in its own right. The Iraqi dinar is a type, the Jordanian dinar is a type, the American dollar is a type, the Canadian dollar is a type, the Egyptian pound is a type, and the British pound is a type, and so every country's currency is considered an independent type, just as gold is considered a type, and silver is a type, and so is the currency of any country considered a type.⁽¹⁾

When exchanging any currency for itself, it must be equal and received immediately and be hand in hand; For his saying: "may God bless him and grant him peace" { like for like and equal for equal, payment being made hand to hand }.⁽²⁾ hand}.⁽²⁾

For example ...

Giving a banknote denomination (fifty thousand Iraqi dinars) and taking a banknotein denomination (five thousand Iraqi dinars), For these papers to be ten and to be hand in hand, not to take eight papers and to remain two cards until they are available, Or for the scarcity of (the fifty dinars denomination), so it spent more than its value for talking. Or of scarcity (fifty dinars denomination), and it spent more than its recent value.

It has the two conditions for immediate exchange hand in hand and equal value.

Or exchanging cash for another currency of a different type than it.It is necessary to exchange it, even if the value varies by increase or decrease.

For example ...

If I exchange Iraqi dinars for US dollars, type for a different type, Here, equality is not required. Dinars may be spent in dollars at any price, whether it is at today's price, or at a price they agree upon, or at a price lower or more than that prevailing in the market, at any price that takes place. But on the condition of receipt immediately.

His saying "may God bless him and grant him peace": {paper for gold is usury unless they are exchanged on the spot}.⁽³⁾

⁽¹⁾See: The Jurisprudence of Banking Transactions p .: 85-88.

⁽²⁾Sahih Muslim, Book of Divorce, Chapter of Exchange and Selling Gold for Cash in Paper, 3/1211 No.

⁽³⁾Previously graduated.

His saying "may God bless him and grant him peace": {If these classes differ, then sell as you wish if payment is made hand to hand.}.⁽¹⁾

And whoever says that the reason for gold and silver is weight or weight and gender, the Prophet "may God bless him and grant him peace" mentioned them with their own eyes, like the rest of the items he mentioned in the hadith.

And that the banknotes have raised their cover of gold and silver, because they say there is no connection between banknotes and gold and silver, so what is happening on gold and silver of provisions that do not apply to banknotes.

But saying this places people in their dealings with usury, because saying that it is permissible to sell by delaying the exchange of paper money takes a way to consume people's money unlawfully.

And he made usury in gold and silver to their eyes, opening the door wide open in dealing in different currencies in the markets without any legal prohibitions, and disrupting the concept of usury in dealing with paper money that took the place of gold and silver. And it remained limited to the items mentioned by the Prophet, may God bless him and grant him peace, And many of the legal rulings related to money, such as zakat on these securities, were suspended.

Whatever the creditor sold dollars in dinars is a deferred sale except out of covetousness and desire for the favor that he has attached to the debtor, The debtor did not resort to the creditor and took dollars at more than the prevailing price except for his need for money and he could not find anyone to lend him that money, With the urging of the Prophet, may God bless him and grant him peace, and explaining the merits of one who lends to his Muslim brother. From Abdullah bin Masoud said that the Prophet "peace and blessings be upon him" said: {There is no Muslim who lends something to another Muslim twice, but it will be like giving charity once}.⁽²⁾

The third requirement

Borrowing at more than the exchange rate

After examining the contract formula of the issue that is frequently discussed in our markets today. It turns out the following.

First: That such treatment is called by the jurists by the term exchange, As we explained in the past, exchange is an exchange of cash for any Iraqi dinars in US dollars, and this is a differential according to the prevailing rate.

Second: That this transaction has negated some of its conditions (receipt, and the absence of delaying), This is contrary to the hadith of the Prophet, "may God's

⁽¹⁾Previously graduated.

⁽²⁾Sunan Ibn Majah: The Book of Charity, Qard 2/812 No. (2430), its chain of transmission is weak. See: The Bottle Lamp in Zawaid Ibn Majah 3/69.

prayers and peace be upon him: {paper for gold is usury unless they are exchanged on the spot},⁽¹⁾ and you receive and receive at the same time.

Third: The creditor has waived the receipt of the debtor's dinars in the contract board in view of the favor that he will receive after the term, The debtor is content to pay the increase over the prevailing exchange rate of the dollar for the term he received.

After detailing the issue, I will discuss the sayings of the jurists regarding the absence of the reciprocity clause in the exchange contract, and an increase in the exchange rate from the prevailing price.

First: The use of banknotes has become commonplace in our time and people have dealt with them and have replaced gold and silver in dealing in all countries.

After the time of our master Muhammad, may God's prayers and peace be upon him, dealing with gold and silver, even though there were denominations of dinars and dirhams, but they were taken from these two precious metals. Imam Malik, may God have mercy on him, indicated that the conditions for dealing in gold and silver apply to what people think is good to deal in in their place, so he said: (If people permitted skins between them so that they would have a track and an eye, they would hate to sell them for gold and paper a look).⁽²⁾

This is a reference from Imam Malik to the skins that people accepted, for things to be valued in place of gold and silver cash in dealing and the flow of the rulings on usury.

There is no legal objection to people dealing with paper money, because God Almighty says: **{So send one of you with this silver coin of yours to the city and let him look to which is the best of food and bring you provision from it and let him be cautious. And let no one be aware of you}**.⁽³⁾

And the Prophet "may God bless him and grant him peace" did with Erwa al-Barqi.

From Erwa that the Prophet "Peace be upon him" : **{ gave him a Dinar to buy him a sheep, and he bought two sheep for him, then he sold one of them for a Dinar, and bought a Dinar and a sheep to the Prophet "Peace be upon him". The Messenger of Allah "Peace be upon him" prayed for blessing for him.}**.⁽⁴⁾

So these banknotes of different names - in dinars, dollars, and pounds - stood for gold and silver in the dealings of people. Because it is impossible to deal with gold and silver in our time because of the expansion and the large volume of trade exchange, so money has acquired purchasing power and a clearance of liability, which is what is saved.

⁽¹⁾Previously graduated No. (1586)

⁽²⁾Al-midawnah 3/89

⁽³⁾Surah Al-Kahf verse 19

⁽⁴⁾Sahih Al-Bukhari: Book "Al-Manaab, 4/207, No. 3642).

Contemporary jurists believe that every cash that people dealt with and has become popular, must be considered usurious, like gold and silver, because it is loanable.⁽¹⁾ It is subject to the provisions of Zakat on gold and silver.

Currency of any country is a type in its own right and takes the place of gold or silver, and country coins are types, meaning gold and silver.

The absence of the contracting condition. In the exchange contract.

As I have shown above, the jurists are agreed on the condition of exchanging cash in the Council of Exchange Contract by both parties to the contract before their separation.⁽²⁾

- His saying "may God bless him and grant him peace": **{paper for gold is usury unless they are exchanged on the spot}**.⁽³⁾

It is not permissible to delay in selling gold to paper.

- His saying "may God bless him and grant him peace": **{Do not ⁽⁴⁾sell gold or silver that is not present at the moment of exchange for gold or silver that is present.}**.⁽⁵⁾

That is, do not sell one of the two cash on deferred payment and the other immediately.

And his saying "may God bless him and grant him peace" after explaining the varieties in which interest takes place: **{If these classes differ, then sell as you wish if payment is made hand to hand.}**.⁽⁶⁾

Al-Nawawi, may God have mercy on him, said: His saying: peace and blessings be upon him (**hand in hand**) is an excuse for scholars on the necessity of exchange. Even if the races differ.⁽⁷⁾

Ibn Abd al-Barr and others quoted consensus on that.⁽⁸⁾

We said that paper money took the rulings on gold and silver, so gold is a type and silver is a type.

The Iraqi dinar is a type, and the US dollar is a type, so it is not permissible to delay in dealing between them, meaning that there is an exchange between the two currencies (the dollar and the dinar). In the contract board.

If the exchange contract takes place by delaying one of the alternatives, the contract will be corrupt, for losing one of its conditions.

As for An increase in the exchange rate over the prevailing market rate.

⁽¹⁾See: Legal Fatwas in Fiqh Issues 1/49.

⁽²⁾See: Al-Muhtar's Response 4/245, Al-Qawanim al-Fiqhiyyah p. 249, Mughni al-Muhtaj 2/30, Kashshaaf al-Qinaa 3/262.

⁽³⁾Previously graduated.

⁽⁵⁾Sahih Al-Bukhari: Book of Sales, Chapter on Selling Silver for Silver 3/74 No. (2177).

⁽⁶⁾Previously graduated.

⁽⁷⁾See: Total Explanation of al-Muhadhdhab 9/404.

⁽⁸⁾See: Al-Iqna 'by Ibn al-Mundhir 1/251.

Jurists agree on the permissibility of credit between. The two different currencies.⁽¹⁾

That is, if it was gold with silver, a differential is made between them due to the difference in the type, and this merit is agreed upon by the contracting parties.

But if there is a definition of that differentiation, then it is better not to go beyond it, and what is happening today that the price of the US dollar is at (one thousand two hundred Iraqi dinars, for example), this is the prevailing exchange rate. So the debtor (one of the contracting parties) accepts the extra credit to be (one thousand five hundred dinars) for his desire for money, And the creditor accepted to postpone one of the two cash for the increase.

So the credit increase (over the prevailing price) is the delay interest.

This is the picture of sales that are the interest of delay. For not exchanging the two allowances in the contract board. And for the increase in credit for what is recognized in the market.

And God knows what is right.

Conclusion.

After explaining the details of this issue and researching it. It turns out the following:

- The term exchange is related to the exchange of different currencies.
- Conditions for the exchange contract: exchange, non-term and option, and symmetry if the currency is one.
- Paper money has replaced gold and silver for the value considered in gold and silver, and money is considered as prices for the things that you do.
- Lifting the gold and silver cover on paper and metal securities.
- The issue that I discussed lost two conditions of the exchange contract, which are (exchange and non-term), so that contract was invalidated by losing its terms.
- It has become clear that the absolute price is the reason for gold and silver, and the provisions related to them are proven for securities. Because it took the place of gold and silver. He considered the criticism of any country as an independent race in its own right, in which provisions relating to one of the two types (gold and silver) are observed.
- To say that the issue with which he is dealing today is a usurious contract in which interest on the term appeared, with more credit between the two currencies than the prevailing exchange rate. For the term specified at the time of arrest.

And may the blessings and peace of Allah be upon the most honored of messengers our master Muhammad and upon all his family and companion.

⁽¹⁾See: Bada`a` al-San`a`, 5/219, Jawaher al-Ikali 3/40, Mughni al-Muhtaj 2/27, Kashshaaf al-Qinaa 3/265.

Sources and references.

1. *The provisions of banknotes and transactions: Muhammad Taqi Al-Othmani.*
2. *Similarities and isotopes in the Shafi'i branches: Jalal al-Din Abd al-Rahman al-Suyuti (d.911 AH), Mustafa al-Halabi and Sons Press, Egypt, latest edition, 1378 AH.*
3. *Similarities and isotopes: Zain Al-Din Ibn Ibrahim, known as Ibn Najim Al-Masry Al-Hanafi (d.970 AH), 1st floor, Al-Halabi Foundation, Cairo, without h.*
4. *"Tieanat Al-talbyn": Abu Bakr bin Muhammad Shata al-Damiyati (d .: after 1302 AH), Dar Al-Fikr for Printing, Publishing and Warrior, 1st Edition, 1418 AH - 1997 AD.*
5. *Persuasion in the jurisprudence of Ahmed bin Hanbal: Musa bin Ahmed al-Maqdisi, (d .: 968 AH), edited by: Abd al-Latif Muhammad Musa al-Sobky, Dar al-Ma'rifah, Beirut - Lebanon.*
6. *Anis al-Fuqaha: Qasim bin Abdullah al-Qunawi, verified by Dr. Ahmed Abdul-Razzaq Al-Kubaisi, Dar Al-Wafaa, Jeddah, 1st floor, 1406 AH.*
7. *Securities: Deban Mohammed Al-Debian.*
8. *Al-Awsat in al-Sunan, consensus and difference: Abu Bakr bin al-Mundhir (d .: 319 AH), verified by: Ahmed bin Muhammad Hanif, Dar Taibah - Riyadh, i, 1405 AH.*
9. *Badaa'i al-Sanai'i in the order of the canons: Abu Zakaria bin Masoud al-Kasani, Scientific Publications Company, Cairo, 1st Edition, 1340 AH.*
10. *In the language of the Salik for the closest tracts in the doctrine of Imam Malik: Ahmed Al-Sawy Al-Maliki, Mustafa Al-Babi Al-Halabi, Egypt, without T.*
11. *Building in Sharh Al-Hidaya: Abu Muhammad Mahmoud bin Ahmed Al-Aini, Dar Al-Fikr for Printing and Publishing, 1st Edition, 1400 AH - 1980 AD.*
12. *The joy in explaining the masterpiece: Ali bin Abd al-Salam al-Touli (d .: 1258 AH), seized by: Muhammad Abd al-Qadir Shaheen, Dar al-Kutub al-Ilmiyya - Lebanon / Beirut, 1st ed.*
13. *" Taaaj Al-eurus" from the jewels of the dictionary: Imam Moheb al-Din Murtada al-Husseini (d.1205 AH), Charity Press, Egypt, 1st Edition, 1306 AH.*
14. *Definitions and jurisprudential terminology "in contemporary language: Dr. Abdel Aziz Izzat Abdul Jalil Hassan, member of the Fatwa Committee of Al-Azhar Al-Sharif."*
15. *Definitions: Ali bin Muhammad bin Ali Al-Sayyid Al-Jarjani (d.816 AH), Al-Babi Al-Halabi and Sons Library and Press, Egypt, 1357 AH-1938AD.*
16. *Detention: Missions of definitions: Zain Al-Din Al-Haddadi (T .: 1031 AH), Alam Al-Kutub - Cairo, 1st Edition, 1410 AH-1990AD.*
17. *The Contents of Qalioubi and Amira: Ahmed Salama Al-Qalioubi and Ahmad Al-Burlesi Amira, Dar Al-Fikr - Beirut, 1415 AH-1995AD.*
18. *Ruling on dealing in gold and silver: Muhammad Hashem Awad.*
19. *Al-Durr Al-Mukhtar Sharh enlightenment of the eyes: Muhammad Ala Al-Din bin Ali Al-Hasakfi (d. 1088 AH), Al-Halabi Press, 2nd Edition, 1386 AH.*
20. *Al-Mukhtar's Response to Al-Durr Al-Mukhtar: Ibn Abdin Retinue: Muhammad Amin Ibn Omar Ibn Abdin, Dar Al-Fikr, Beirut, Lebanon, 2nd Edition, 1386 AH.*
21. *Al-Rawd al-Murabba 'Sharh Zad al-Mustaqni': Mansour bin Yunis al-Bahouti (d .: 1051 AH), his hadiths were produced by: Abd al-Quddus Muhammad Nazir, Dar al-Muayyad - Foundation for the Message.*

22. *Sunan Ibn Majah: Abu Abdullah Muhammad ibn Yazid al-Qazwini (d. 275 AH), edited by Muhammad Fuad Abd al-Baqi, House of Revival of the Arab Heritage, 1395 AH-1975 CE.*
23. *Explanation of the enlightening planet: Taqi al-Din, known as Ibn al-Najjar al-Hanbali (d. : 972 AH), edited by: Muhammad al-Zuhaili and Nazih Hammad, Obeikan Library, 2nd Edition, 1418 AH - 1997 AD.*
24. *Explanation of Fath al-Qadeer: Kamal al-Din Muhammad ibn Abd al-Wahid al-Siywasi 681 AH, Dar al-Fikr, Beirut.*
25. *Explanation of Muntaha Al-Iradat: Mansour Bin Yunis Al-Bahouti, Dar Al-Fikr, Beirut, without h.*
26. *Sahih al-Bukhari: Al-Hafiz Abu Abdullah Muhammad bin Ismail al-Bukhari, (D. 256 AH), House of Scientific Books, Beirut, Lebanon, Edition 1, 1410 AH-1989 AD.*
27. *Sahih Muslim: Muslim bin Al-Hajjaj bin Muslim Al-Qushairy Al-Nisaburi (d.261 AH), edited by: Muhammad Fuad Abdul-Baqi, Dar Al-Fikr, Beirut, 2nd Edition, 1398 AH-1959 AD.*
28. *Juristic Dictionary: Language and Idiomatically: Saadi Abu Jeeb, Dar Al-Fikr. Damascus - Syria, 2nd floor, 1408 AH - 1988 AD.*
29. *Jurisprudence Laws: Muhammad bin Ahmad bin Jazi al-Kalbi al-Gharnati (d.741 AH).*
30. *Al-Maskah Scouts on the Board of Persuasion: Mansour bin Yunis bin Salah al-Din Ibn Hassan bin Idris al-Bahouti al-Hanbali (deceased: 1051 AH), Dar al-Kutub al-Ilmiyya.*
31. *Lisan al-Arab: Imam Abi al-Fadl Jamal al-Din Muhammad bin Makram bin Manzur (d. 711 AH), published house for printing and publishing, 1375 AH-1956 CE.*
32. *Al-Mabsut: Muhammad Ibn Abi Sahl Shams al-Din al-Sarkhasi Abu Bakr, Al-Saada Press, Egypt, 1st Edition, 1324 AH.*
33. *The Journal of Legal Rulings: A committee composed of several scholars and jurists in the Ottoman Caliphate, investigated by: Najeeb Hawaini, Nur Muhammad, Karkhaneh Tijarat kataba, Aram Bagh, Karachi.*
34. *Total. Sharh al-Muhadhdhab: Imam Yahya bin Sharaf al-Nawawi (d. 676 AH), edited by Mahmoud al-Matrahi, Dar al-Fikr, Beirut, 1st Edition, 1417 AH-1996 AD.*
35. *Al-Mahalla: Ali bin Ahmed bin Saeed bin Hazm Al Dhaheri (d. 456 AH). The investigation of the Committee for the Revival of Arab Heritage, House of New Horizons, Beirut, without history.*
36. *Mukhtar As-Sahah: Muhammad bin Abi Bakr bin Abdul Qadir al-Razi (d.666 AH), Arab Book House, Beirut, Lebanon, 1st Edition.*
37. *The blog; The Grand: Malik bin Anas Al-Asbahi, the novel of Sahnoun bin Saeed, Dar Al Saada Press, 1st Edition, 1313 AH.*
38. *The Bottle Lamp in Zawaid Ibn Majah: Shihab al-Din Ahmad ibn Abi Bakr al-Shafi'i (d. : 840 AH), edited by: Muhammad al-Muntaqa, Dar al-Arabiya - Beirut, 2nd Edition, 1403 AH.*
39. *Dictionary of the Language of the Scholars: Muhammad Rawasi Qalaji, Dar Al-Nafaes, Beirut, 1st Edition, 1405 AH-1985 AD.*
40. *"Mughni Almuhtaj to know the words of the curriculum": Muhammad al-Khatib al-Sherbini, House of Revival of Arab Heritage, Beirut, without h.*
41. *Al-Mughni with the Great Explanation: Mowafak Al-Din Abdullah bin Ahmed bin Qudamah Al-Maqdisi (d.620 AH), 1st Edition, Al-Manar Press, Egypt, 1318 AH.*

42. *Introductions: Abu Al-Walid Muhammad bin Ahmed bin Rushd Al-Qurtubi (deceased: 520 AH), Dar Al-Gharb Al-Islami, 1st Edition, 140 AH - 1988 AD.*
43. *The End of the Needy to Explain the Approach: Shams al-Din Muhammad bin Abi al-Abbas al-Ramli (deceased: 1004 AH), Dar al-Fikr, Beirut - 1404 AH / 1984 CE.*